HOUSE BILL No. 1627

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-13.

Synopsis: Economic development tax credits. Allows the economic development for a growing economy board the option of providing tax credits for job retention for the Colgate-Palmolive Company operation in Clarksville.

Effective: July 1, 1999.

Bottorff

January 21, 1999, read first time and referred to Committee on Commerce and Economic Development.

Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1627

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-3.1-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. As used in this chapter, "incremental income tax withholdings" means the total amount withheld under IC 6-3-4-8 by the taxpayer during the taxable year from the compensation of new employees **or, in the case of an employer covered by section 15.5 of this chapter, retained employees.**

SECTION 2. IC 6-3.1-13-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. (a) The board may make credit awards under this chapter to foster job creation **or, in the case of an employer covered by section 15.5 of this chapter, job retention** in Indiana.

(b) The credit shall be claimed for the taxable years specified in the taxpayer's tax credit agreement.

SECTION 3. IC 6-3.1-13-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. A person that proposes a project to create new jobs in Indiana **or, in the case of an employer covered by section 15.5 of this chapter, retain jobs in**

Indiana may apply to the board to enter into an agreement for a tax credit under this chapter. The director shall prescribe the form of the application.

SECTION 4. IC 6-3.1-13-15.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 15.5. (a) This section applies in a county having a population of more than eighty-five thousand (85,000) but less than eighty-eight thousand (88,000). To receive a credit under this chapter for retaining employees an employer must meet the following conditions:**

(1) The employer has had a location in the county for more than sixty-five (65) years.

(2) The employer has more than four hundred fifty (450) employees at the location in the county.

(3) The average wage for an hourly employee is at least twenty dollars ($20) per hour.

(4) The employer must commit to retain the same number of employees for at least ten (10) years or reimburse the state for the total amount of credits received if the employer does not comply with this commitment.

(b) Notwithstanding section 15 of this chapter, after receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all of the following conditions exist:

(1) The applicant satisfies the conditions set forth in subsection (a).

(2) The applicant is economically sound and will benefit the people of Indiana by retaining opportunities for employment and strengthening the economy of Indiana.

(3) There is at least one (1) other state or country that the applicant verifies is being considered to take over the production by the employer.

(4) A significant disparity is identified, using best available data, in the costs of production for the applicant compared with the costs of production in the competing state or country, including the impact of the competing state's or country's incentive programs.

(5) The political subdivisions affected by the applicant have committed significant local incentives with respect to the applicant.

(6) Receiving the tax credit is a major factor in the applicant's decision to retain employees in the county and not receiving

the tax credit will result in the applicant not retaining jobs in Indiana.

(7) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(c) The board shall determine the number of retained employees to be used in calculating the incremental income tax withholdings that will be used in determining the credit under this chapter.